

ACT-037-001

May 18, 1976

Mr. R. D. Lord, Vice President
Research & Development
Rio Algom Mines Limited
120 Adelaide Street West
Toronto, Canada M5H 1W5

Re: Final Environmental Statement
Humecca Uranium Mill
San Juan County, Utah

Dear Mr. Lord:

The Division is now in the process of reviewing this document which was supplied to us by the Nuclear Regulatory Commission (N.R.C.). The alternatives set forth in this Statement, in our opinion, seem to satisfy the requirements of the Utah Mined Land Reclamation Act as far as stabilizing the tailings ponds for this mill.

The letter to Mr. R. B. Chitwood, Chief Technical Support Branch Directorate of Licensing, of January 30th you will recall was copied to you and in this letter the Division of Oil, Gas, and Mining assumed the responsibilities of reclamation bonding for uranium mines and mills in Utah.

We assume then, that you will be in contact with this office directly to consider the bond for the Humecca Mill. While you have under the law until July 1977 to file a Notice of Intention to Mine and Reclamation Plan (forms MR 1 and MR 2) the bond is set subsequent to filing. In other words, the reclamation surety must be based on an approved plan for dealing with the mine and mill abandonment.

The N.R.C. Statement apparently does not address several items which we consider basic to any reclamation plan. These we feel should be included in your plan and are as follows:

- 1) The mine and mill area will be cleared of junk and Extraneous debris upon abandonment.
- 2) Buildings and equipment will be utilized in another location suitable for their type, or disposed of in accordance with N.R.C. regulations.

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- 3) The mill and mine sites will be fenced with a permanent type fencing material.

If your actual reclamation plan is still in the formative stages, the Division will assist you in developing the revegetation plans, soil, and slope stability data, and in whatever other information you may need.

A copy of the Mined Land Reclamation Act is enclosed for your information along with forms MR 1 and MR 2. In completing the forms, MR 1 is needed from you but MR 2 may be dispensed with, assuming you supply a reclamation plan of your own design containing the same information.

A copy of the bond form as well as an Escrow Agreement to be used in lieu of posting of a bond are included for consideration by your Corporation's legal staff. This form will be considered for final adoption by the Board at their June hearing.

We look forward to hearing from you in the near future.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

ORIGINAL SIGNED BY R. W. DANIELS

Ronald W. Daniels,
Coordinator of Mined
Land Development

RWD/lc

Enclosed: Mined Land Reclamation Act
MR FORMS 1 & 2
Bond
Escrow Agreement

cc: Mr. Mervin Lawton
Rio Algom
P.O. Box 610
Moab, Utah 84532

CIRCULATE TO
DIRECTOR
PETROLEUM ENGINEER
MINE COORDINATOR
ADMINISTRATIVE ASSISTANT
ALL
RETURN TO La Ana
FOR FILING

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